



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

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**Contact: Mark Vinsel
Executive Director
(907) 586-2820**

UFA Thanks Senator Murkowski for Passage of Exxon Valdez Oil Spill Tax Treatment

United Fishermen of Alaska thanks Senator Lisa Murkowski for her work in introducing and working to pass legislation to help reduce the tax burden to Alaska fishermen and other plaintiffs who were affected by the Exxon Valdez Oil Spill (EVOS) in 1989. The measure was included in an amendment to the Farm Bill which was recently passed on the Senate floor.

The legislation calls for plaintiffs to be able to contribute up to \$100,000 to retirement plans, income averaging of any settlement payments over a three year period, and exempts the payments from self-employment tax.

Settlement payments, if upheld by the U.S Supreme Court, represent punitive damages and the accumulated interest from thirteen years since the original court decision in 1994. The EVOS tax measure was originally envisioned as part of UFA's marketing plan, drafted by UFA board members Bruce Schactler and Scott McAllister, and adopted in 2001, and was the focus of an industry-wide effort.

"As this case has drawn on through every possible delay and appeal, the interest now approaches the settlement amount and may unfairly put many fishermen in much higher tax brackets than they would have been if the settlement had been paid or if the damage had not occurred. In this time Alaska fishermen suffered severe financial hardships and many have not been able to contribute adequately to retirement accounts. We estimate that the deferment of these taxes represents about \$200 million to plaintiffs, and this has been one of our highest priorities in the last few years. Senator Murkowski worked diligently to get this measure and could not have delivered a better Christmas present to Alaska fishermen," said UFA President Joe Childers.

"We are very pleased with Senator Murkowski's ability to move this legislation, that she was able to gain the support of Oregon's Senator Gordon Smith and Washington State's Senators Murray and Cantwell as co-sponsors and move this forward. While there are Exxon plaintiffs from every U.S. State, the bipartisan support that Senator Murkowski was able to create is what got this done, said UFA President Joe Childers.

"Having this legislation pass the U.S. Senate is noteworthy in showing the widespread concern for the plight of those who were so drastically affected by the oil spill, as this matter goes before the Supreme Court," said Childers.

“The U.S. Supreme Court will take up the matter of whether or not punitive damages may be awarded in shipping, and has been urged by many business entities to take up the matter to update the law, now that ship captains can be in communication with vessel owners. Previous maritime law on this was based on the Amicable Nancy case from the early 1800s, when the situation was completely different than now,” said Childers.

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MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Draggers Association • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association
Alaska Shellfish Association • Alaska Trollers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Reserve
Cape Barnabas Inc. • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United
Crab Group of Independent Harvesters • Douglas Island Pink and Chum • Fishing Vessel Owners Association • Groundfish Forum
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Sitka Herring Association • Southeast Alaska Fisherman's Alliance
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Catcher Boats • United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters
Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen